

Missouri Training and Employment Council ? PO Box 1087 ? Jefferson City, MO 65102-1087

Full Council Meeting Minutes

October 8, 2003

8:00 – 12:30

Tan-Tar-A Resort

Osage Beach, MO

Attendees: Stephen Long, Tony Myers, Jerald Pelker, Ron Randen, Ron Vessell, Virginia Mee, Garland Barton, Denise Cross, Herb Johnson, David Heath, John Gaal, Jim Dickerson, Marie Young, Rick Beasley, David Mitchem, Patti Penny, Lew Chartock, Elaine West, Robert Honan, Wayne Giles, Miguel Meneses, Bill Treece, Brenda Wrench, Mary Moore Johnson, John Wittstruck, Glenda Terrill, Clinton Flowers, Mary McKinney

Chair Patti Penny opened the meeting.

Herb Johnson moved that the Minutes be approved and David Heath seconded. Motion passed.

State of Missouri's Workforce

John Metcalf/Gary Yakimov

John Metcalf and Gary Yakimov of Corporation for a Skilled Workforce (CSW) reviewed the purpose of the State of the Workforce report and their participation and philosophy. John Metcalf provided an overview of the report development project.

Comparative Indicators

Ultimately, the Comparative Workforce Indicators seek to answer the question, “in what areas does Missouri have a comparative workforce advantage?”

The four states we looked at were Missouri, Illinois, Kansas, Iowa, plus the U.S. In the case of the Indicators, the word comparative is absolutely critical. The “scores” are set only by the comparative areas, in this case Missouri, Illinois, Iowa, Kansas, and the U.S. However, we are able to compare the four states and nation against one another to set the “score” based on the high and low data values. Therefore, the best area (state or U.S.) is assigned the quartile ranking of “High”. The worst area is assigned the quartile ranking of “Low”. In between are “Above Average” and “Below Average” quartiles.

In the case of quartile narrative values, “High” reflects the best score, regardless of whether this should be a large or small number, positive or negative. For example, for the micro measure of annual income, a score of “High” would be assigned to the quartile that included the highest income among the five areas studied. However, a score of “High” would also be assigned to the state with the lowest percent of families in poverty since the lower value is the more desired outcome in this measure.

Missouri, and the other three states were compared to the US as a whole based on ten-macro indicators: industries; knowledge jobs; unemployment and labor force; education and literacy; workforce demographics and diversity; income and poverty; cost of living/housing; travel to work; supply and demand alignment; and perceived quality of life. Missouri only had a competitive advantage in three of the ten-macro indicators: labor force, cost of living and perceived quality of life.

Missouri has a cluster-based strategy that includes three targeted clusters: advanced manufacturing, life sciences and information technology. Those three clusters account for over 40% of the state's economy, contributing over 60 billion dollars to the economy in 1999. They are responsible for over 360,000 direct jobs and an additional 700,000 plus indirect jobs. The large table on clusters in the draft report was developed by the Missouri Economic Research and Information Center (MERIC). Missouri ranks above the U.S. in average sales per business but in every other indicator at the micro level Missouri trails the U.S., including industrial diversity. Industrial diversity is a measure of how protected Missouri is against a downturn in any one industry. For example, the IT bust pretty much wiped out the state of Washington and a good part of California.

Gary Yakimov: - Going back to the slide that shows the workforce investment system's three sectors: workforce, business and education, the targeted industry clusters set in the middle point of the circle. They can drive the economy to higher levels of performance. A lot of people say clusters are an economic development strategy, true, but going back to John's earlier comment economic development and workforce development are essentially the same thing in today's world.

Mary Johnson: How did you choose the states?

Gary Yakimov: We always look at the exact area, which in this case is Missouri and we always look at the U.S. Then we ask the project team what are the other three states that you want. So, the states are then chosen based on a variety of factors: economic competitiveness, global labor market exchange etc.

David Mitchem: We have regional economies in St. Louis and in Kansas City so Illinois and Kansas were natural selections. We chose Iowa because we wanted to do some comparisons between their education system and ours.

Gary Yakimov: Missouri has definitions for all three of the clusters: advanced manufacturing, information technology and life sciences. We looked at staffing patterns in these industries and we were able to identify the top occupations of each of the clusters. ONET is an occupational database that was developed by the U.S. Department of Labor (USDOL) that contains hundreds of thousands of occupational characteristics. We used the ONET database we also identified the top skill levels needed to do the jobs. The problem with ONET data is that it only talks about the job. It doesn't say anything about the people in the job. The job can require X skill levels but what's missing across the country and in Missouri is how you would go about determining what skill level the people in that job actually have.

Patti Penny: There is a system available that will do that and it does make sure a person's abilities and natural instincts to a particular occupation and also measures their education and how that would apply to that occupation.

Gary Yakimov: Comparative Indicators, page 22. Employers are often quoted by workforce professionals as saying, "just give me someone with basic skills and I'll train them myself." What does that mean? Every employer has a different idea of what basic skills are. We propose that Missouri identify the basic skills needed by employers. The Corporation for a Skilled Workforce has proposed a basic framework to define the skill sets and then integrate them into your curriculum. We propose that you incentivize your education system to make sure that all their graduates leave with the skills that you have identified.

David Heath: To go back to the new economy skill standards, of the states that CSW works with, how many are driving to those skill standards or creating policies and executing them?

Gary Yakimov: Based on information obtained earlier in the spring at the National Skills Standard Conference, we know that employers often find our system of identifying skills as too bureaucratic. Those states that are having the greatest success are developing them within clusters. To answer your question I think many are beginning but not many are far down the road.

David Heath: Where is the best place to inculcate these skills, at the high school level or post high school level? Are you more likely to get these skills optimally delivered in a college setting versus a high school setting?

Gary Yakimov: It is easier to integrate them at a higher education level. However, because K-12 is locally controlled, unless there is some edict issued you will be left with local boards determining whether or not skills get integrated.

Lew Chartock: How can you possibly introduce that kind of change on a higher-level educational basis when you have statistics like these coming out of grade schools and high schools? I find it very difficult to accept that.

Gary Yakimov: With a 21st Century workforce curriculum there needs to be some means to assess student capabilities. We recommend Work keys. Your advanced manufacturing, life sciences and information technology clusters should all have a set of established standards. My personal passion is putting customer service back into the service economy. Might customer service skills be one of the standards set?

Patti Penny: Educators in my area would say that to add customer service you would be taking away from the core curriculum.

Gary Yakimov: Again, that is a conversation Missourians will need to have. Is that one of your core standards?

John Gaal: Actually, it has been part of our investigations at the MTEC Education and Training Committee. We're looking at skills with professional services built in. The Committee has also discussed Work keys. I think both have merit.

Lew Chartock: Voc Rehab does pay for such a course with many of our community-based organizations. They are extremely helpful.

Denise Cross: It's not just service industries. We've integrated customer service as basic training for all of our staff because it has become so important.

Gary Yakimov: Missouri has to decide what the right standards are for you. Customer service may or may not fall into that but I think it is a conversation you need to have.

Education and a skilled workforce is the key to economic development in the new economy. When we looked at the average skill level of Missouri's your top 25 jobs. The skill level of these to Missouri jobs is higher than the U.S. average. This is not about the people in the jobs. It is just about what kind of occupations are in Missouri and what skills levels they have. Your occupations have a very high skill level compared to those in the U.S.

Missouri ranks lower than the U.S. for people at level-one literacy (the lowest level of literacy). These are people that are not work force ready. Missouri is about equal with the U.S. if you consider both adult literacy levels 1 and 2. Those levels are considered **not** in the workforce range. There are five levels of literacy and there is additional data in the report.

Missouri's percent of at risk youth is higher than the U.S. At risk youth is the percentage of the population age 16-19 that are not high school graduates, not enrolled in school and unemployed. Educational attainment focus is bachelor's degree and higher, associates degree and higher.

In Missouri thirty-five percent of students go on to higher education, 54% across the country. That's not good. This measure identifies eighteen to twenty-four year olds enrolling in college. In Missouri, 33% of first year students that come back for the next year; 42% across the nation. Certificates, degrees and diplomas awarded at all colleges and universities for 100 undergraduates; 17 in Missouri 20 in the top states across the nation.

We talk a lot about supply and demand alignment in terms of knowing the skill level of the job, but what skills do the people have? We looked at three types of alignment: growth alignment, occupational alignment and educational alignment. Growth alignment: what is Missouri's population growth of working age labor force versus growth in jobs. Occupational alignment: what occupations are reported by employers from labor market information data versus the occupations of people self-reporting to the U.S. Census. Educational alignment: based on the growth jobs, what education is required versus the educational attainment of Missourians.

Our key recommendations for Missouri include: increase the results of the assessment leading to increased worker readiness; increase literacy; increase high school and post secondary graduation rates; expand the A+ program and consider leveraging it with the advantage Missouri program; and increase the number of students graduation with a work readiness certification.

CSW also think that the Math Academies, the new teacher mentoring, guidance counselor academies and career clusters should be expanded. The career development continuum on page 33 may be used as a framework. Employers must engage with education throughout the students' development.

Making Transcripts Count is picking up a lot of steam across the country. Employers should recognize that high school transcripts have value in the hiring process. High school transcripts have three valuable components:

1. The attendance record is an indicator of an employees' willingness to come to work on time everyday
2. Grade point average is an indicator of overall work performance
3. Extra-curricular activities is an indicator of an employees' willingness to do more than just their basic job

In Dr. Kenneth Gray's latest book, Getting Real, he addresses how we successfully educate kids for the new world. College is great but it may not be for everyone. Every Missouri job does not require higher education. So what is the right balance? Dr. Gray says rather than the goal of the education system to put everyone into college the goal might be to just make sure they have good career information and have a sound career plan that has a high probability of success based on their interests, values and educational achievement. His framework consists of four things:

1. Understand the importance of narrowing career interests as a basis for postsecondary planning
2. Have, by the 10th grade, identified one or more career interests after an objective evaluation of their likes and dislikes, their aptitudes and labor market projections.
3. Have, by the end of 12th grade, engaged in activities to verify these choices.
4. Used these choices to make post-high-school decisions.

David Heath: Where would guidance counseling fit into this continuum? It would seem that would be a nice synergy.

Gary Yakimov: Boston and Austin two areas that are considered mirrors of the new economy both have one-stops career centers in their schools. Now that can be permanent structured one-stops or it can be rotating staff as a way to give support to the guidance counselor system. That could mean educating counselors for one day a month or it could actually be a one-stop employee spends a day in the school.

David Heath: Are you aware of any state or city that has an actual curricular offering around this subject matter?

Gary Yakimov: Yes, Austin, Texas, actually provide a one-stop person in every high school. Not every day they rotate around. The one-stops help fill the gaps. The guidance counselors because of limited time and resources can't fill all those gaps. It's an idea to consider.

Virginia Mee: Much of what we have heard so far is the educational based approach to where we need to be with the workforce. I agree that we need to have all of these educational points of measurement that you have here but I thought that MTEC's approach should be, "what is the state of the workforce." Have we asked employers what they need and then work backwards? My initial thought would be start with the employers and the industries, see what are gaps are and then go back and see what needs to be amended not remake the entire education system.

Gary Yakimov: Focusing on industries was in chapter 1. The resources for this project did not allow us to do focus groups with business and industry.

David Mitchem: Conducting a supply and demand gap analysis for every workforce region in Missouri is one of the NGA Workforce Policy Academy recommendations. The analysis would be provided to the local WIBs

with encouragement to engage business and industry in the development of a regional state of the workforce report. The State of Missouri's Workforce is the broad brush and we are going to encourage further engagement.

Gary Yakimov: Labor markets don't recognize state boundary lines, labor markets don't recognize county or city or metropolitan boundary lines. What is good for Northwest Missouri probably isn't the same for Southeast Missouri. Life sciences is the most perfect example. Life Sciences is very much an R&D generated industry and anecdotal evidence suggests that they tend to cluster near universities. Information Technology is also an R&D related activity, so they also tend to cluster near universities. Advanced manufacturing is going to be where your manufacturing base already is as they retool and become more advanced. It is very much local economy driven but I think it's important that the state has an umbrella. Clusters are a group of industries so advance manufacturing is probably 50 different industries.

Let me just wrap so we can transition to the NGA Workforce Policy Academy recommendation. Missouri is a little below the U.S. average on the major indicators. The State should build upon those areas where it has a competitive edge.

David Heath

National Governor's Association

Last week in St. Louis, the six state National Governors Association Workforce Policy Academy met. During the meeting, the Missouri team refined recommendations for MTEC's consideration and ultimately for the governor's approval. The team also evaluated strategies for implementing the recommendations. We've also identified target audiences.

Innovation and Education

Our first recommendation states that Missouri must recognize, embrace and initiate change and innovation. The data tells us that across a spectrum of different categories Missourians don't recognize, embrace or initiate change and innovation. Missouri's Workforce Policy Academy Team believes that the percentage of citizens who are highly literate must increase significantly; reading, comprehension and math skills at eleventh grade or above. Subject to your approval we are going to recommend that graduation requirements be much more rigorous for Missouri citizens, with a minimum each of math, including statistics, English, science and social studies at the secondary school level and two years of foreign language. The Education Appendix developed for the State of the Workforce Report showcases Missouri's performance in these areas.

If Missouri is to be competitive in the 21st Century economy we believe that high school graduation requirements must include a nationally recognized work readiness certification. All adults must be engaged in continuous learning and/or skill development. Just-in-time career education at community/technical colleges must be expanded and curriculums adjusted to include industry accepted skill standards and certification for licensing requirements of business and industry. Following up on Virginia Mee's point, the education system must be responsive to the needs of business and industry.

Uniform articulation and dual credit programs must be established between secondary schools, community colleges and university levels. People should derive degree credit for in skill-based training.

We have very serious doubts regarding Missourians awareness of the issue of educational expectation and aspiration. A comprehensive public awareness campaign is needed. We must raise Missourians aspirations and expectations for education and literacy. The economical survival and growth of Missouri is at stake.

We should create an environment of inclusion and create a coalition strong enough to support and guide these actions. Again, this is a communications effort that requires building an infrastructure for action. However, we must recognize the time it takes to garner support.

As to the educator community we believe that if Missouri's going to be competitive in the 21st Century that State Board of Education must adopt proposals three and four which we discussed just a few moments ago. An effective K-16 education system will increase the promotion of continuous learning and skill development. We need to develop results driven partnerships that promote the interests of Missouri business and industry first. This is all about enriching, in fact saving, Missouri's economy and allowing it to position itself globally.

Business and industry standards and requirements have to be a primary driver. This focus will ensure the individual Missourians have rewarding and high paying jobs.

Our educators need to support and participate in professional development activities that enhance the content and instruction technique. Teacher and professors are the people whom we entrust our most precious resources, our children. We want to improve professional standards. We believe that educators must establish performance measures for the education system that includes measures of student achievement (beyond grades). In instances where those student achievements either flag or fail then appropriate remediation needs to take place at the education delivery level.

Workers

Workers need to engage in self-improvement through continuous learning and skill development. Many need to embrace change and learn new technologies because it is very clear that those who don't will be left behind. It is vitally important that we encourage individuals to aspire to their full potential.

Parents

We believe that parents are an integral part of the workforce equation. As parents, we need to become much more engaged in the community of learning. It can start by becoming involved in children's education and finding out about their local school districts performance and funding. In order to provide guidance for their children, parents must have a better understanding of post secondary opportunities and careers in technical fields. We encourage parents to engage their local school districts in a dialogue regarding the state of the workforce, the needs of local business and industry and the alignment of the curriculum of the schools.

Workforce Investment Boards

We think that the WIBs play an integral part in this development process. If Missouri is to be competitive in the 21st Century economy, local workforce investment boards must take an active role in customizing their planning and operations efforts to meet the needs of individuals as well businesses.

Motion: The request is that the Council conceptually approve these recommendations allowing the MTEC Committees to move forward. We also recommend that the state agencies, in conjunction with local WIBs, develop a supply and demand gap analysis and provide that detailed analysis to local communities. Upon receipt of that gap analysis we ask the WIBs and others to begin a collaborative effort at the community or regional level to develop a state of the workforce report with policy recommendations for each region.

Herb Johnson/motion Jim Dickerson/second. Motion passed.

David Mitchem: With your permission we would like to break and return and work as we eat lunch. We will break this session at 1:15 or before for those of you who are attending the initial session of the conference.

Patti Penny: I just want to let you all know that I have submitted my resignation from MTEC with a lot of mixed emotions. I can tell you that the last seven years has been a wonderful trip. It has been a learning experience that I can't put a dollar value on.

John Metcalf

As MTEC moves forward to implement the recommendations in The State of Missouri's Workforce, I would remind you that there is no lasting change unless you have engagement. Once you have engagement then you can move forward and bring the people together. If we never engage the stakeholders or citizenry of Missouri then there is never going to be lasting change. Another thing we have to be cautious of is that we don't put it down but just take this to the bank that hope is not a strategy. Strategic planning is analysis but execution and implementation drives it forward. One of things I want to touch on is the word campaign. This is a word we don't normally use in workforce development. When you think about campaigns what do campaigns do? They change behavior. What happens when we infuse ideas into the workforce development system without creating the momentum for creating interest?

Scorecard

Once you understand the state of the workforce and you know where the gaps are, you need to create some idea about whether or not a difference can be made. It is critical to know if behaviors have changed. That's why Missouri is developing a scorecard. The scorecard approach will begin to say what are leading and lagging indicators and measures that would give you an idea whether you have achieved your results.

In doing that a system level does not necessarily look at a program level. Get programs out of your mind and think about systems. Think about you running a business, you don't look at everything in the business you look at the major things going on in the business and decide how well are we doing as an enterprise. What we're recommending is that you go back and look at the interconnected circles of the workforce investment system because those three things have to work in harmony. You have a vision in this Council that I would call a future of excellence. The scorecard approach gives the idea that I want to know the few things that will give me indicators/measures at a system level. I want them to be understandable not only to ourselves but others.

The scorecard needs to be cost effective in that the system performance indicators are in place and don't have to be created, but can be pulled out of the data bases. It's got to be informative and usable. How do I know if I'm successful or not? Well you have to create benchmarks, but to be able to do that you have to understand how well you're doing against the set goal. Otherwise you can't make management, tactical decisions or state level strategic decisions.

Leading and Lagging Indicators .

Leading indicators gives you an idea if you're headed in the right direction. By the time you have lagging indicators it's too late to do anything about it. The handout includes the proposed scorecard layout. The scorecard is not program specific, it is system specific.

The Missouri career center portion of the scorecard is broken down into four quadrants: 1) outcomes for employers; 2) outcomes for individual customers (students and job seekers); 3) financial viability; and 4) internal controls. If you wanted to look at the entire one-stop delivery system of the state of Missouri what we're recommending is that you look at it from this level here. Not specific programs but the system itself. Then the local boards will know what you're asking of them. Each of those 58 programs are responsible for their own assigned numbers; program results.

By asking for detail at the system level requires that everyone one of those operators' partners play a role in achieving the targets. As a result the entire system gets better. Partners themselves are equal partners in the costs and rewards. If they all do well the system does well. If any one or more of them doesn't do so well maybe the system itself is failing.

What about employer satisfaction? You got to make sure your employers are satisfied. Look at employers' overall satisfaction with the services provided by the Career Centers. One thing I would use here, as a benchmark is that in that system, that at least on a quarterly basis, 80% of your employers are satisfied based on your scale of satisfaction. In other words if you continuously get an 80% satisfaction rating over time, then move it up to 90%; continuous improvement. I can tell you if employers aren't satisfied they aren't coming back. Look at repeat usage, one of the things that you find here is that a lot of time employers will test the one-stop location and never come back. If I don't have continuous repeat usage of the Career Centers by employers, I'm not improving the system.

Market Shares

We've found on a nationwide basis that often less than 10% of the employee base know that one-stops even exist. The highest market share we've ever seen out of a finite number of employers is 17-18% of employers actually use one-stops. Career centers should acquire repeat usage (employers coming back) and a higher rate of usage (based on expanding your services). For sustained effectiveness, the employer is the customer. Are job seekers (your other customer) well satisfied? Customer satisfaction flows from two factors. Did they treat me well and did I achieve my objective when I walked in the door. These are basically national standards that a lot of places are using to drive the behavior in their one-stop systems; if you want to lower or raise the bar that's up to you. This is the best consultant's advice on your starting point.

Financial Viability

The financial operations of the one-stops across the country is a big debate issue. How is Missouri going to move an integrated career center (one-stop) system. Across the U.S., one-stops are still in evolutionary development. Financial integration is vital to customer service success. The financials, as well as the internal controls, are the last two components of the scorecard.

Education

The educational scorecard will provide industrial developers with indications of what level of education the population has. What we have found common across every industry sector is this list of five bullet points which includes: 1) academic skills; 2) work ethic; 3) social skills; 4) workplace skills; and 5) thinking skills. No matter what industry it is, these are the skills they want the people to have. The report states that “All of the training and educational programs are of little or no value if the worker or future worker sees neither importance nor urgency in acquiring new skills for a new economy. The tradition of low skill and good wage jobs is a strong pull. However, those jobs no longer exist to the extent they once did. A major attitudinal change is essential now, not a generation from now.”

In the workplace, in the job seeker’s world, there are two vital components: the adult labor force and the emerging labor force. Missouri must encourage the existing adult labor force to become educated and to continue to refine their skills. The emerging labor force, our young people, must be prepared to compete in the labor market. At this critical time formal educational processes are so important. We get the attention of the adults and youth.

The proposed scorecard lays out our approach to leading and lagging indicators. The MAP process in K-12 will let industry sectors know about the emerging workforce’s reading and math skills. Higher order critical thinking that is promoted in advance placement courses is also important. ACT/SAT scores are another measure of system success. Graduation rates and dropout rates tell a story. In Missouri, over the past four years, about 40,000 students have dropped out of the system. We can’t survive with a dropout rate like this. You’re not the only state out there like this. Whatever it takes to keep those kids in school and continue their education into post secondary is essential to the Missouri’s success in the new economy.

Economic Indicators

The economic system portion of the scorecard was designed based on economic development studies that identify the common areas people are looking for. What we tried to do here is take a shot at indicators and measures that they keep coming back to over time. What you have to do is say we’re going to be prepared for higher skills that support higher wages. You can’t go to the bargaining table and ask for higher wages unless there is a commensurate shift of skill level. You might ask why is the poverty rate on there as an economic indicator, because poverty rates are an indication of quality of life.

John Gaal: The MTEC Education and Training Committee did a lot of background for these reports. We first identified national standards and those established at the first NGA meeting. We further developed the scorecard issues and they are pretty close to what you see on page 66. We were looking at issues like graduation rates, dropout rates and things of that nature.

The items that David Heath brought to us earlier are the result of a lot of work and have been thought through thoroughly. We actually broke into two different groups. The first group looked at increasing math scores and students graduating with some type of work readiness credential. The second group looked at graduation rates, A+ program. The series of recommendations from this effort is in the report.

I really want to say thank Tony Meyers for his work on drafting recommendations on behalf of business. I hope you are at least a little bit impressed with the fact that this wasn’t some kind of one-sided project that someone tried to push through. Labor was at the table, educators were at the table; there was a lot of input from a lot of different groups. We are not trying to force anything down anybody’s throat. We are just making recommendations. We believe that these recommendations will have an impact on Missouri’s strategic position in the global economy.

David Mitchem: I sense that there is still some pent up need to express opinions regarding this report. If you would like to express yourselves now that would be fine. If you would like to e-mail us then I will make it a point to send your opinion out to everybody.

Jim Dickerson: I think that we ought to set up a mail group and have an electronic discussion since we are running out of time today.

David Mitchem: We can do that. Any other business?

Meeting adjourned.